

**APPROVED
MINUTES
NORTHWEST PROGRESSO – FLAGLER HEIGHTS
REDEVELOPMENT ADVISORY BOARD
FORT LAUDERDALE
100 NORTH ANDREWS AVENUE
8th FLOOR CONFERENCE ROOM
JUNE 24, 2015 – 4:00 P.M.**

**Cumulative Attendance
May 2015 - April 2016**

<u>Members Present</u>	<u>Attendance</u>	<u>Present</u>	<u>Absent</u>
Steve Lucas, Chair (dep. 4:05)	P	2	0
Ella Phillips, Vice Chair (arr. 3:38)	P	2	0
Jessie Adderley (arr. 3:47)	P	1	1
Leann Barber	P	1	0
Sonya Burrows	P	2	0
Ron Centamore	P	1	1
Alan Gabriel	P	2	0
Camille Hansen	A	1	1
Mickey Hinton	A	0	2
John Hooper (dep. 5:08)	P	2	0
Dylan Lagi (arr. 3:32)	P	2	0
Scott Strawbridge	P	2	0
John Wilkes (arr. 3:38)	P	2	0

Currently there are 13 appointed members to the Board, which means 7 would constitute a quorum.

It was noted that a quorum was present at the meeting.

Staff

Jeremy Earle, Deputy Director, Department of Sustainable Development
Bob Wojcik, Planner III
Sandra Doughlin, DSD/ELR
DJ Williams-Persad, Assistant City Attorney
Lisa Edmondson, Recording Secretary, Prototype, Inc.

Communication to City Commission

Motion made by Mr. Wilkes, seconded by Ms. Burrows, to send a communication to the CRA Board recommending that they take steps to modify the CRA Redevelopment Plan as may be necessary. In a voice vote, the **motion** passed unanimously.

I. Call to Order / Roll Call

Chair Lucas called the meeting to order at 3:31 p.m. Roll was called and it was noted a quorum was not yet present.

New member Leann Barber introduced herself to the Board. Ms. Barber was appointed by Commissioner Bruce Roberts and owns property in Flagler Village.

Chair Lucas noted that Item VI has been deferred to the July meeting.

Mr. Lagi arrived at 3:32 p.m. It was noted that a quorum was now present.

II. Approval of Minutes from May 21, 2015 Meeting

Motion made by Mr. Gabriel, seconded by Ms. Burrows, to approve. In a voice vote, the **motion** passed unanimously.

III. Presentation – CRA Basics – Jeremy Earle, Deputy Director

Mr. Earle recognized the CRA Staff members present, and provided background information on his previous position as Florida Redevelopment Association (FRA) President, explaining that this organization oversees all CRAs in the state of Florida. He showed a PowerPoint presentation on the basics of CRAs, noting that reasons to redevelop typically include the following:

- Elimination of slum and blight;
- Create clean, safe places;
- Prevent crime;
- Encourage economic development;
- Promote affordable housing;
- Create streetscapes;
- Recognize historic buildings;
- Increase the tax base.

Redevelopment is considered to be any activity authorized under Chapter 163.3 of Florida Statutes. CRA activities are authorized by an approved Redevelopment Plan and funded by an increase in assessed values over time. Mr. Earle provided the members with copies of the Northwest CRA Redevelopment Plan, emphasizing that this document governs all authorized activities within the CRA. It is the only plan for the CRA that is recognized by the State.

A CRA is considered a dependent special district rather than a City Department, and is recognized as an arm of government according to State law. It is dependent upon the City Commission, which is considered to be the CRA Board rather than the City Commission whenever it votes on CRA issues or activity. CRAs may have multiple CRA districts, which have separate trust funds, accounting uses, and plans.

Mr. Earle reviewed some of the CRA's powers under Statute 163.3, which are delegated from the County to the City and then from the City to the CRA. A CRA must show a finding of necessity that defines slum, blight, or both. The CRA Board may include additional appointees from within the CRA area to form a Board of up to nine members. This governing body must approve the finding of necessity in order to start a CRA.

CRAs may issue bonds, acquire, demolish, or dispose of property, be liable for loss, and approve community policing innovations. Mr. Earle noted that while a city may still have the power of eminent domain for public purpose, CRAs no longer have this authority.

The CRA Redevelopment Plan provides a blueprint for CRA activities. The original Northwest CRA Plan was developed in 1995, with the existing plan developed in 2001. Mr. Earle emphasized that the current CRA Plan has not been updated in 14 years. He advised that Staff has performed an analysis on the document, and pointed out that the CRA has accomplished over 90% of the goals set forth in the original plan.

As new projects are brought forward, it must be determined if these were ever part of the CRA Plan. All programs or projects contained in the CRA Plan do not necessarily have to happen; however, if a program or project is not in the Plan, it cannot be done. He concluded that this means the goal is to include everything the CRA may wish to accomplish in the Plan. Otherwise, if the CRA is audited by the State, the Auditor General will report a finding.

Mr. Earle briefly reviewed how a CRA is expected to operate, noting that they may perform Code enforcement, acquire property, hold mortgages, issue bonds, and accomplish several other goals strictly as a CRA. Statute 163.3.70 states that construction or expansion of an administrative building for public bodies, Police, or Fire is not allowed unless each taxing authority agrees. Police substations are allowed as part of community policing innovations.

Mr. Strawbridge cited the example of the CRA's operating budget, which was recently amended to incorporate a number of distributions to other City Departments, such as Public Works. This raised the CRA's traditional budget of roughly \$1.5-\$2 million to nearly \$3 million. He asked how this might be allowed under the CRA Plan. Mr. Earle replied that according to Statute, the CRA may not pay for a City capital improvement project unless the project has been removed from the City's Capital Improvement Plan (CIP) for a period of three years. This means the CRA may partner with the City on projects as long as the project is also in the CRA Plan.

Mr. Strawbridge expressed concern that the CRA is transferring roughly \$700,000 in TIF to multiple City Departments in an effort to balance the budget by paying for staffing and other expenditures. Mr. Earle stated that a CRA may not pay for general government

operating expenses that are unrelated to planning and carrying out the CRA Plan. He noted once more that embarking upon programs not included in the CRA Plan has led CRAs throughout the state to encounter difficulties. If something the CRA wishes to accomplish is not in its Plan, the Plan must be amended to reflect it. If an auditor finds an expenditure in the CRA budget that is not in the Plan, the result will be a finding that the CRA has not been operating according to Statute.

Mr. Earle concluded that TIF is not tax increment revenue and cannot technically be considered taxpayer dollars. He briefly reviewed the process by which TIF revenue is used to finance the activities in the CRA Plan. Use of funds may be expended on activities described in the CRA Plan, including but not limited to administrative and overhead expenses, redevelopment planning, surveys, financial analysis, acquisition of property within the CRA district, relocation of occupants, repayment of borrowed funds, and expenses related to bonds or indebtedness, among other uses.

In addition to uses not included in the Plan, the CRA may not pay Board or Advisory Board members, or projects outside the CRA; however, Mr. Earle noted that if there is a legal reason to use funds outside the area, such as purchasing land for a land swap, this may be legally explained. The State Auditor General (AG) has found that marketing and direct funding of events is a questionable use of funds. The CRA also may not pay for the maintenance of projects.

Mr. Earle continued that with regard to reporting requirements, a copy of the proposed and final budgets must be posted two days prior to a meeting and at least 30 days after the meeting to the Division of Community Development. The Annual Report is due to the CRA's governing body on March 31 of each year. He cautioned that while infractions of these requirements may seem small, they can trigger an investigation. He pointed out that because the CRA has already been audited by the City and not all actions were carried out properly, the Broward County Office of the Inspector General (OIG) could begin a thorough analysis of the CRA at any time.

Mr. Wilkes requested clarification of the penalties for infractions. Mr. Earle replied that while it is possible the State may only issue a finding, if the CRA is determined to have maliciously broken State Statute, it may be referred to another branch of government that may take more punitive action. Even if the State issues a memo rather than a finding, and if the information published is not accurate, the issue can harm the public perception of the CRA.

At the end of the fiscal year, September 30, State Statute requires that any funds left in the CRA Trust Fund must be either:

- Returned to the taxing authorities;
- Used to reduce debt;
- Deposited in an escrow account to reduce debt at a later time; or

- Appropriated to a specific project included in the Redevelopment Plan that must be completed within three years.

To address outstanding issues, the CRA may amend the CRA Redevelopment Plan, including the holding of a public hearing and other requirements that normally accompany this process. Mr. Earle pointed out that the CRA Plan allows the CRA to refuse some plans. He noted that there are 10 years remaining in which the Northwest CRA may refocus and achieve responsible implementation of its clearly defined vision.

Mr. Earle characterized the CRA as a business arm of government, as it is designed to operate more nimbly than government but think and act in the manner of a business. He noted the necessity of thinking like a developer and understanding the concerns of businesses that may invest in the CRA. He also cautioned that when the CRA sunsets, all of its debt must be paid off. This may require reviewing of Plan timelines and scaling back of programs in order to clear all debt. Mr. Earle concluded that the FRA will help the CRA Advisory Board to be leaders, with the assistance of his office and City Staff.

Mr. Wilkes requested information on the CRA's insurance. Mr. Earle advised that the Board is typically indemnified through the City, although City insurance may not cover CRA Staff or operations. The CRA is a separate legal entity from the City and may not be able to take the same actions as the City.

Mr. Wilkes also noted that the CRA Board, which includes the five City Commissioners acting in their capacity as CRA Board, can have up to nine members. He asked if it would be useful to recommend adding a representative from each of the City's three CRAs to the CRA Board. Mr. Earle explained that this decision would need to be made by the Commission. It was noted that the time at which additional CRA Board members may be added may have already passed.

Mr. Wilkes asked if it would be appropriate for the Board to make a motion to ratify all actions taken through December 2014 and modify the CRA Plan accordingly to include these actions. Mr. Earle explained that the Board must follow the amendment process set forth by State Statute, which includes community outreach. He noted that if the Board chooses to amend the CRA Plan as quickly as possible, they may add a line item to the Plan stating that they are allowed to undertake some of the efforts they have engaged in over time. This could be done in the form of a communication to the City Commission, to be followed by a more complete motion once the line item is clarified.

Ms. Burrows asked what would become of projects, events, or items that are not in the CRA Plan and cannot be added to it according to State Statute. Assistant City Attorney DJ Williams-Persad reiterated that CRA projects must be included in the scope of both the State Statute and the CRA Plan. Mr. Earle recommended that the CRA Plan be amended in the near term to include some projects that have been approved in the past. He emphasized that once the Board and CRA Staff have reviewed the items to be

added to the CRA Plan and involved the community in this process, they should reach out to the CRA Board to recommend amendment of the Plan.

Mr. Strawbridge requested clarification of the time frame in which Mr. Earle felt the Advisory Board could complete the necessary amendment process. Mr. Earle estimated that this could take approximately seven months. He recommended taking the Five-Year Plan to community meetings in order to ensure that the community still wants to achieve the items in it, and pointed out the importance of taking steps to address existing issues.

Motion made by Mr. Wilkes, seconded by Ms. Burrows, to communicate the CRA Board that they take steps to modify the Plan as may be necessary.

It was clarified that the **motion** would be sent as a communication to the City Commission.

In a voice vote, the **motion** passed unanimously.

Ms. Burrows requested clarification of how new projects coming or returning before the Board for approval should be handled until the CRA Plan has been amended. Attorney Williams-Persad recommended that when a project comes before the Board, the members should first determine that the Plan will allow them to undertake that project; if not, they must then determine whether or not the project is sufficiently worthy to be included in an amendment to the Plan. Similarly, if an Item comes back to the Board, it should be accompanied by a recommendation from Staff.

IV. June 1, 2015 TIF Estimate

Mr. Wojcik provided the Board members with a handout on the June 1, 2015 TIF estimate, noting that it appears the CRA will receive significantly more money than the previous year. This is due primarily to two major projects that have come online: the Manor at Flagler Village and the Edge, which provided over \$122 million in added value. The anticipated TIF increase is \$1.8 million over 2014, or 31%.

Mr. Wojcik continued that there are no major projects in the pipeline for the current year that are expected to generate similar revenue. He concluded that a budget presentation will be made to the Board at its July 2015 meeting.

The following Item was taken out of order on the Agenda.

VIII. Old / New Business

Ms. Burrows recalled that at the recent joint workshop between the Advisory Board and the CRA Board, the City Commissioners had asked to see new incentive programs, on

which Staff was scheduled to begin work. Mr. Wojcik replied that upcoming Agenda Items include review and appraisal of surplus properties within the CRA; identification of existing incentive programs that have been less successful in the past; reviewing incentive programs that could attract developers to the CRA to construct new market-rate housing; and reviewing the funding status of existing projects.

Mr. Wojcik concluded that not all available City properties within the CRA are included on the surplus list, such as some properties on Sistrunk Boulevard. He advised that this would be a good time to determine what course of action the Board wishes to take with regard to the disposal of these properties. Members will be provided with a list of the properties at least one week in advance of the July meeting.

V. Informational Presentation – Made in Broward – Leann Barber

Ms. Barber showed a PowerPoint presentation on Made in Broward, which is a nonprofit entity that assisted in chartering the Flagler Village 4-H Club in 2014. The intent was to adopt 4-H's methodology and implement it within Broward County. The 4-H program was established for the purpose of building capability within communities through various forms of production. The program also helps young people become more functional and engaged over time. The 4-H methodology focuses on self-determination and good citizenship, encourages young people to follow their interests, and considers the needs of the community.

VII. Communication to CRA Board

It was noted that the Board would send the communication to the City Commission as discussed earlier in the meeting.

IX. Adjournment

There being no further business to come before the Board at this time, the meeting was adjourned at 5:19 p.m.

Any written public comments made 48 hours prior to the meeting regarding items discussed during the proceedings have been attached hereto.

[Minutes prepared by K. McGuire, Prototype, Inc.]